

VZCZCXRO4712  
RR RUEHAST RUEHBI RUEHCI RUEHDBU RUEHLH RUEHLN RUEHPW RUEHSK RUEHVK  
RUEHYG  
DE RUEHNT #0007/01 0111312  
ZNR UUUUU ZZH  
R 111312Z JAN 10  
FM AMEMBASSY TASHKENT  
TO RUEHC/SECSTATE WASHDC 1725  
INFO ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
CIS COLLECTIVE  
RUEATRS/DEPT OF TREASURY WASHINGTON DC

UNCLAS SECTION 01 OF 02 TASHKENT 000007

SENSITIVE  
SIPDIS  
EEB/IFD/OMA BRIANA SAUNDERS  
SCA/CEN

E.O. 12958: N/A  
TAGS: [EAID](#) [PGOV](#) [ECON](#) [PREL](#) [UZ](#)  
SUBJECT: Uzbekistan: Fiscal Transparency

REF: STATE 1923; 09 STATE 98111; 09 STATE 81177

11. (SBU) Uzbekistan took a major step towards budget transparency at the beginning of this year (2010) when the state budget was posted on an official internet site. The site is a reference for all laws and regulations passed by the parliament (Oliy Majlis) and, by the standards of Uzbekistan, represents a significant degree of transparency.

12. (SBU) Responses to Reftel questions:

QUESTION 1: Is the central government expected to receive funding under the FY 2010 SFOAA?

ANSWER: Yes. Programs managed by USAID, State and others meet the criteria under the SFOAA.

QUESTION 2: Is the host country's annual national budget publicly available?

ANSWER: The Government of Uzbekistan (GOU) made its 2010 budget publically available in January, including income and expenditures. The budget, as approved by the parliament, has been posted on a web site that serves as a reference for all laws and regulations enacted by the parliament. The budget (in Russian) can be viewed at: [http://lex.uz/guest/irs\\_html.winLAV?PID=15684](http://lex.uz/guest/irs_html.winLAV?PID=15684) 02. This site includes other legislation and represents a remarkable degree of transparency for the usually opaque GOU. This is the first time that Uzbekistan's state budget has been made broadly available.

QUESTION 3: Are incomes and expenditures included in the publicly-available budget?

ANSWER: Incomes and expenditures are included in the publically available budget, but with very little detail as to the actual breakdown of spending. Spending on defense and security (presumed to be significant) is excluded.

QUESTION 4: What is post's assessment of the extent to which the

publicly-available budget accurately reflects actual government incomes and expenditures?

ANSWER: The IMF and other international financial institutions are skeptical of the reliability of GOU data and statistical methods. This could be as much the consequence of insufficient technical capacity and administration as deliberate deception or opacity. Therefore, it is difficult to assess the accuracy of the budget figures that the GOU has released. The IMF publishes summaries of Uzbekistan's budget as part of its Article IV consultations.

QUESTION 5: Have there been any events since the 2009 review that may have affected fiscal transparency (e.g., a coup)?

ANSWER: Improving relations with the U.S. and other Western countries generally could create the climate for greater transparency in Uzbekistan.

QUESTION 6: Since last year's review, what efforts has the host

TASHKENT 00000007 002 OF 002

government undertaken to improve fiscal transparency? What progress has been made, pursuant to the 2009 demarches on the subject?

ANSWER: Post delivered the Ref. B demarche to Bakhtiyor Ibragimov, Head of MFA's Americas Division, in October. That same month, A/S Blake raised budget transparency in his meetings with GOU officials and members of parliament during his visit to Tashkent. The public release of the budget began with the inauguration of the lex.uz web site on January 1, 2010.  
NORLAND